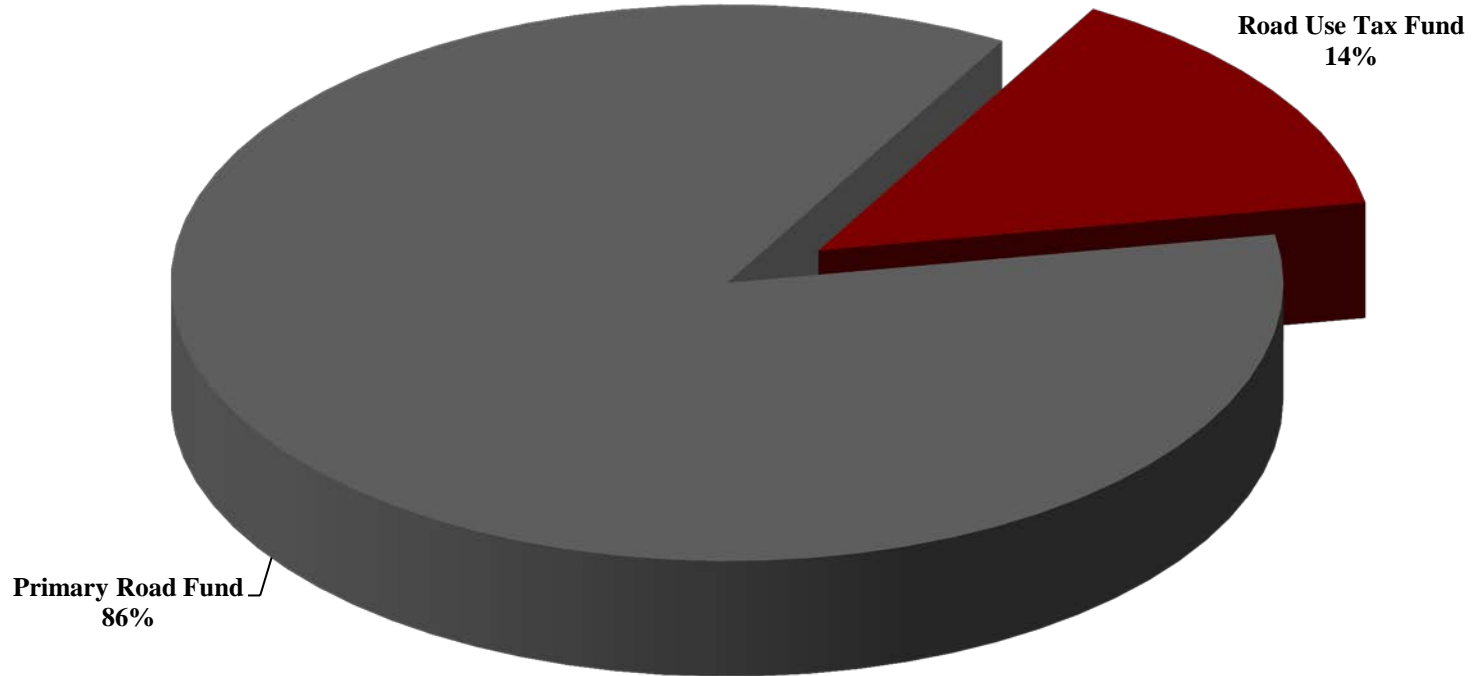




Budget Presentation
Joint Transportation, Infrastructure, and Capitals Appropriations
Subcommittee
February 2, 2011

Iowa DOT Operational Budget Funding Sources



**IOWA DEPARTMENT OF TRANSPORTATION
BUDGET REQUEST INCREASE/DECREASE**

1/27/11

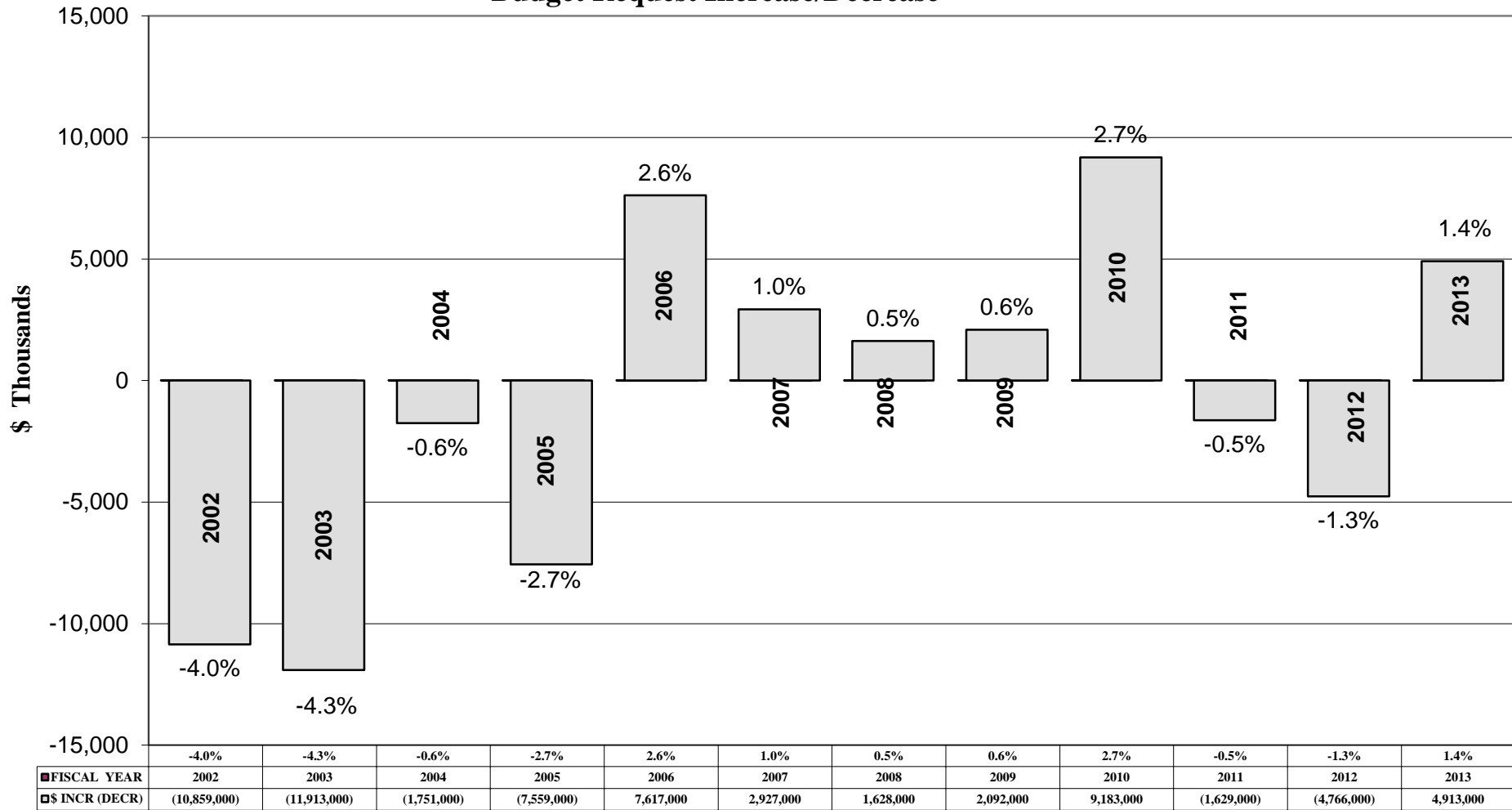
<u>FISCAL YEAR</u>	<u>BUDGET REQUEST*</u>	<u>APPROPRIATION**</u>	<u>DIFFERENCE CURRENT YEAR REQUEST vs PRIOR APPROPRIATION</u>	<u>PERCENT CHANGE OF BUDGET REQUEST vs PRIOR YEAR APPROPRIATION</u>
2002	261,700,000	274,904,000	(10,859,000)	-4.0%
2003	262,991,000	268,662,000	(11,913,000)	-4.3%
2004	266,911,000	281,572,000	(1,751,000)	-0.6%
2005	274,013,000	286,776,000	(7,559,000)	-2.7%
2006	294,393,000	302,299,000	7,617,000	2.6%
2007	305,226,000	314,843,000	2,927,000	1.0%
2008	316,471,000	326,861,000	1,628,000	0.5%
2009	328,953,000	343,653,000	2,092,000	0.6%
2010	352,836,000	352,360,000	9,183,000	2.7%
2011	350,731,000	350,731,000	(1,629,000)	-0.5%
2012	345,965,000		(4,766,000)	-1.3%
2013	350,878,000		4,913,000	1.4%
Avg. Annual Percentage Change of Budget Request vs Prior Year Appropriation				-0.4%

* The previous year's salary adjustment becomes a part of the base budget from which the DOT develops its budget request.

**Includes both the Iowa DOT appropriation and the salary adjustment appropriation.

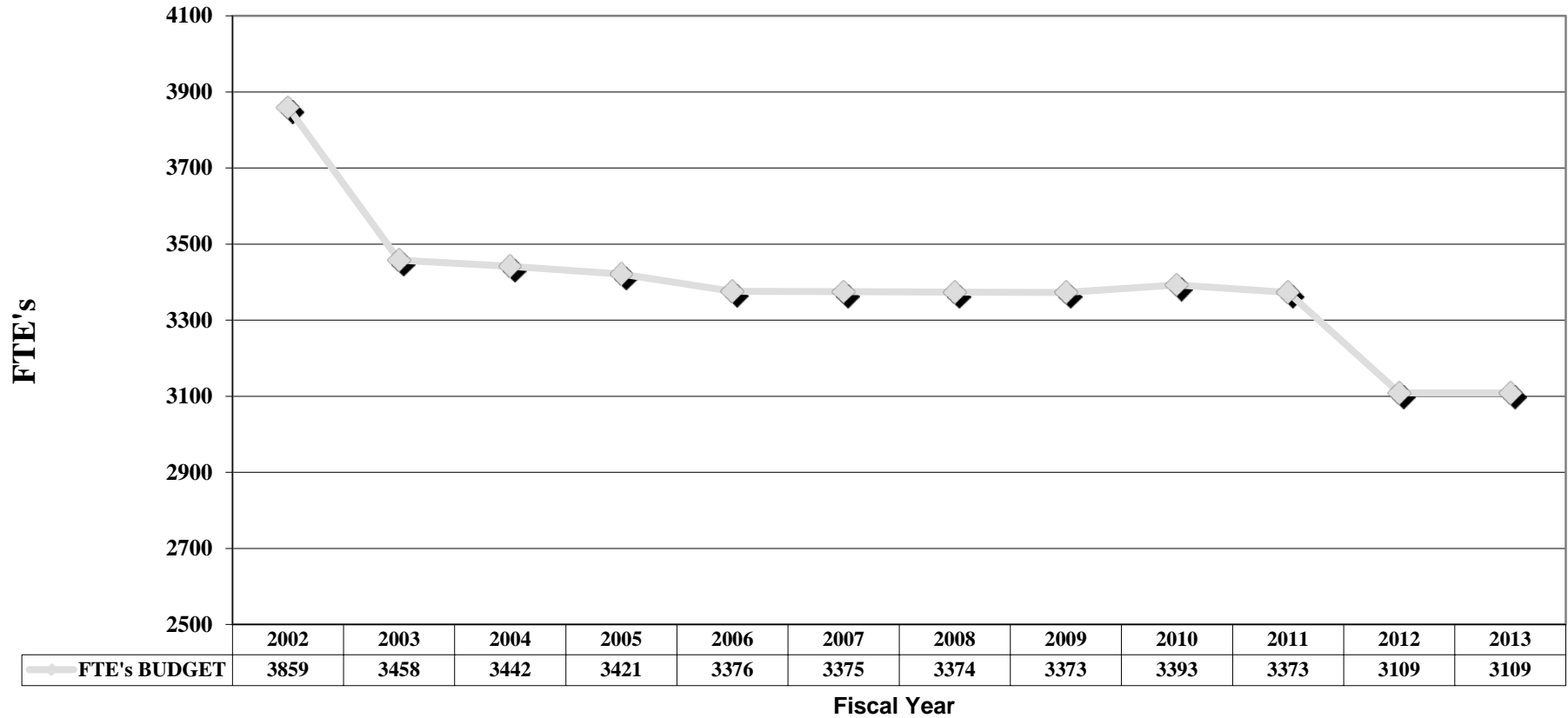
Iowa DOT Budget History

Iowa Department of Transportation Budget Request Increase/Decrease



Iowa DOT Budget History

Iowa Department of Transportation Budgeted FTE's



FTE History

- Decrease of 750 FTEs since 2002

DEPARTMENT OF TRANSPORTATION
BUDGET REQUEST SUMMARY
(\$000 OMITTED)

ITEM	2011 BUDGET	2012 GOVERNOR'S RECOMMENDATION	2013 GOVERNOR'S RECOMMENDATION
OPERATIONS	\$ 332,448	\$ 322,330	\$ 324,443
SPECIAL PURPOSE	16,063	18,685	18,685
CAPITAL	2,220	4,950	7,750
GRAND TOTAL	\$ 350,731	\$ 345,965	350,878
F.T.E.'s	3,373	3,109	3,109

DEPARTMENT OF TRANSPORTATION

OPERATIONS BUDGET REQUEST

(\$ 000 OMITTED)

BUDGET UNIT / DIVISION	2011 BUDGET		2012 GOVERNOR'S RECOMMENDATION		2013 GOVERNOR'S RECOMMENDATION	
	F.T.E.'s	\$	F.T.E.'s	\$	F.T.E.'s	\$
OPERATIONS	312	\$ 47,606	296	\$ 46,927	296	\$ 46,927
PLANNING & MODAL	131	10,117	121	9,155	121	9,155
MOTOR VEHICLE	478	37,159	445	35,334	445	35,334
HIGHWAY	2,452	237,566	2,247	230,914	2,247	233,027
TOTAL OPERATIONS	3,373	\$332,448	3,109	\$322,330	3,109	\$324,443

DEPARTMENT OF TRANSPORTATION
FISCAL YEAR 2012 BUDGET ADJUSTMENTS
(\$000 OMITTED)

	STAFF		SUPPORT	TOTAL
	FTE's	\$	\$	\$
FISCAL YEAR 2011 BUDGET	3,373	\$ 238,158	\$ 94,290	\$ 332,448
ADJUSTMENTS:				
OPERATIONS:				
SERIP REDUCTION	(16)	(679)		(679)
PLANNING & MODAL:				
SERIP REDUCTION	(10)	(962)		(962)
MOTOR VEHICLE:				
SERIP REDUCTION	(33)	(1,825)		(1,825)
HIGHWAY:				
SERIP REDUCTION	(113)	(7,755)		(7,755)
TEMPORARY STAFFING FTE REDUCTION	(92)	(920)		(920)
EQUIPMENT DEPRECIATION			203	203
TRAFFIC LINE MARKING PAINT			330	330
SUPPORT FOR ADDITIONAL LANE MILES (182 @ 1,838)			334	334
SALT COST/QUANTITY INCREASE			1,156	1,156
TOTAL HIGHWAY	(205)	(8,675)	2,023	(6,652)
TOTAL OPERATIONS ADJUSTMENTS	(264)	(12,141)	2,023	(10,118)
FISCAL YEAR 2012 GOVERNOR'S RECOMMENDATION	3,109	\$ 226,017	\$ 96,313	\$ 322,330

DEPARTMENT OF TRANSPORTATION
FISCAL YEAR 2013 BUDGET ADJUSTMENTS
(\$000 OMITTED)

	STAFF		SUPPORT	TOTAL
	FTE's	\$	\$	\$
FISCAL YEAR 2012 GOVERNOR'S RECOMMENDATION	3,109	\$ 226,017	\$ 96,313	\$ 322,330
 ADJUSTMENTS:				
OPERATIONS:				
NONE				
PLANNING & MODAL:				
NONE				
MOTOR VEHICLE:				
NONE				
HIGHWAY:				
EQUIPMENT DEPRECIATION			203	203
TRAFFIC LINE MARKING PAINT			330	330
SUPPORT FOR ADDITIONAL LANE MILES (128 @ 1,838)			234	234
SALT COST INCREASE			1,346	1,346
TOTAL HIGHWAY	--	--	2,113	2,113
TOTAL OPERATIONS ADJUSTMENTS	--	--	2,113	2,113
FISCAL YEAR 2013 GOVERNOR'S RECOMMENDATION	3,109	\$ 226,017	\$ 98,426	\$ 324,443

Operations - Position Reductions

➤ **SERIP Position Reductions**

- FY 12 adjustment - (\$11,221,000)
 - 355 employees retired under SERIP.
 - 179 positions will not be filled.
 - 7 funded by revolving fund/non ops budget fund
 - 172 funded by operations budget
 - Reductions in operations budget
 - 172 positions/FTEs
 - Salary
 - State share of benefits
 - 176 positions to be refilled.

➤ **Temporary Position Reduction**

- FY 12 Adjustment - (\$920,000)
 - 92 Positions

Operations - Highway Division

➤ **Equipment Depreciation**

- FY 12 & 13 Adjustment - \$203,000
 - Heavy duty fleet needs replacement faster than currently possible
 - Will allow DOT to focus on balancing replacement of winter equipment with expected life

➤ **Traffic Line Marking Paint**

- FY 12 & 13 Adjustment - \$330,000
 - Nationwide limited paint supply
 - 12.5% cost increase since FY 10
 - Expected additional increases in FY 12 & 13

Operations - Highway Division

➤ **Support for Additional Lane Miles**

- FY 12 Adjustment - \$334,000
 - 182 additional lane miles
- FY 13 Adjustment - \$234,000
 - 128 additional lane miles
- \$1,838 per lane mile to maintain

➤ **Salt Cost/Quantity Increase**

- FY 12 Adjustment - \$1,156,000
 - Average annual salt use up from 220,000 tons to 232,000 tons over FY06-10
 - Slight increase in salt cost of 1.4%
- FY 13 Adjustment - \$1,346,000
 - Salt cost increase of 7.5%

**SPECIAL PURPOSE
BUDGET REQUEST
(\$ 000 OMITTED)**

ITEM	2011 BUDGET	2012 GOVERNOR'S RECOMMENDATION	2013 GOVERNOR'S RECOMMENDATION
REPLACEMENT EQUIPMENT	\$ 2,250	\$ 5,366	\$ 5,366
WORKERS' COMPENSATION	3,415	2,965	2,965
UNEMPLOYMENT COMPENSATION	145	145	145
DAS UTILITY SERVICES	1,607	1,613	1,613
WASTE DISPOSAL	800	800	800
FIELD FACILITY DEFERRED MAINTENANCE	1,000	1,000	1,000
DRIVER LICENSES	3,876	3,876	3,876
COUNTY TREASURER SUPPORT	1,406	1,406	1,406
HIGHWAY COALITION MEMBERSHIP	50	----	----
MISSISSIPPI RIVER PARKWAY COMMISSION	40	40	40
TRANSPORTATION MAPS	242	242	242
ROAD/WEATHER CONDITIONS INFO	100	100	100
INDIRECT COST ALLOCATION	650	650	650
STATE AUDITOR REIMBURSEMENT	482	482	482
TOTAL SPECIAL PURPOSE	\$ 16,063	\$ 18,685	\$ 18,685

Special Purpose

➤ **Revolving Fund**

- FY 12 Adjustment - \$3,116,000
 - Gap funding needed to cover the incremental costs of replacing equipment has lagged behind what is needed

➤ **Workers' Compensation**

- FY 12 Adjustment - (\$450,000)
 - Premium decrease
 - Second consecutive annual premium decrease
 - Result of focus on improving employee safety and reducing injuries

**CAPITAL
BUDGET REQUEST
(\$ 000 OMITTED)**

ITEM	2011 BUDGET	2012 GOVERNOR'S RECOMMENDATION	2013 GOVERNOR'S RECOMMENDATION
ROOF REPLACEMENTS	\$ 200	\$ 200	\$ 200
SWEA CITY GARAGE	----	2,100	----
NEW HAMPTON COMBINED FACILITY	----	----	5,200
WASTE WATER TREATMENT	1,000	1,000	1,000
ADA IMPROVEMENTS	120	----	----
AMES COMPLEX-ELEVATOR UPGRADES	100	100	----
HVAC IMPROVEMENTS	200	400	200
MVD FIELD FACILITIES MAINTENANCE	200	200	200
SCALE REPLACEMENTS	---	550	550
UTILITY IMPROVEMENTS	400	400	400
TOTAL CAPITAL	\$ 2,220	\$ 4,950	\$ 7,750

Capital

➤ Swea City Garage

- FY 12 Adjustment - \$2,100,000
 - Maintain 109 maintenance garages
 - Important to maintain ongoing, regular replacement schedule
 - Current Swea City garage
 - 1930's vintage garage
 - Been expanded over time
 - Landlocked between residential area and grain elevator
 - Does not meet operational needs of the maintenance crew
 - Is not an energy efficient facility



Swea City Garage »

Capital

➤ **Scale Replacement**

- FY 12 Adjustment - \$550,000
 - Maintain 13 permanent scale sites
 - Important in ensuring safe operation of commercial motor vehicles
 - Five locations need scales replaced
 - Replace 2 scales @ \$275,000/scale average

Capital

➤ **New Hampton Combined Facility**

- FY 13 Adjustment - \$5,200,000

- Facility includes a maintenance garage, construction residency, and materials lab

- Current New Hampton Facility

- Six Truck bays short and inability to add capacity on-site

- Wash bays undersized

- Landlocked in a residential area

- Electrical system has insufficient power for current needs

- Construction Office on 2nd floor does not meet ADA accessibility requirements



New Hampton Combined Facility »»

Capital

➤ **ADA Improvements**

- FY 12 Adjustment - (\$120,000)
 - Will complete remaining ADA facility improvements with existing resources

➤ **HVAC Improvements**

- FY 12 Adjustment - \$200,000
 - Nine needed exhaust and radiant heat system replacements
 - Denison, Williams, Marshalltown, Williamsburg, Washington, Marion, Mt. Pleasant, Ottumwa, and Emmetsburg.
- FY 13 Adjustment- (\$200,000)
 - Return to normal improvement schedule

DEPARTMENT OF TRANSPORTATION

FUNDING SOURCES

(\$ 000 OMITTED)

ITEM/FUND		2011 BUDGET	2012 GOVERNOR'S RECOMMENDATION	2013 GOVERNOR'S RECOMMENDATION
OPERATIONS:				
PRIMARY ROAD		\$ 289,683	\$281,381	\$ 283,494
ROAD USE TAX		42,765	40,949	40,949
TOTAL		<u>\$ 332,448</u>	<u>\$322,330</u>	<u>\$ 324,443</u>
SPECIAL PURPOSE:				
PRIMARY ROAD		\$ 10,077	\$ 12,767	\$ 12,767
ROAD USE TAX		5,986	5,918	5,918
TOTAL		<u>\$ 16,063</u>	<u>\$ 18,685</u>	<u>\$ 18,685</u>
CAPITAL:				
PRIMARY ROAD		\$ 2,020	\$ 4,200	\$ 7,000
ROAD USE TAX		200	750	750
TOTAL		<u>\$ 2,220</u>	<u>\$ 4,950</u>	<u>\$ 7,750</u>
GRAND TOTAL:				
PRIMARY ROAD		\$ 301,780	\$298,348	\$ 303,261
ROAD USE TAX		48,951	47,617	47,617
TOTAL		<u>\$ 350,731</u>	<u>\$345,965</u>	<u>\$ 350,878</u>

Modal Program Appropriation Request

(\$ 000 omitted)

Program	FY 2012 Governor's Recommendation	FY 2013 Governor's Recommendation
Commercial Service Vertical Infrastructure	\$1,500	\$1,500
General Aviation Vertical Infrastructure	\$750	\$750
State Recreational Trails	\$2,000	\$2,000
Public Transit Infrastructure	\$2,000	\$2,000
Railroad Revolving Loan and Grant Program	\$2,000	\$2,000
Total	\$8,250	\$8,250

Aviation

- ▶ Vertical infrastructure needs
 - 27% of enhanced general aviation airports have inadequate hangar capacity.
 - Continued need for renovations and enhancements of terminals, hangars and other buildings at airports.
- ▶ Airside needs
 - Safety (weather reporting, windsocks, runway markings, wildlife management, etc.)
 - Infrastructure (navigational aids, pavement maintenance/rehabilitation, emergency repairs, etc.)
 - Funded through standing appropriation of State Aviation Fund – approximately \$2.2 million.

Commercial Service Vertical Infrastructure

- ▶ Eligible projects: landside projects, such as terminals, hangars, fuel facilities and maintenance building renovation and construction.
- ▶ Funding distributed by formula.
 - 50% equally distributed to 8 airports
 - 40% distributed by percent of passenger boardings
 - 10% distributed by percent of cargo shipments
- ▶ Funding recommendation
 - FY 2012: \$1.5 million
 - FY 2013: \$1.5 million

General Aviation Vertical Infrastructure

- ▶ Eligible landside projects include renovation and construction of terminals, hangars, fuel facilities and maintenance buildings.
- ▶ Funding available through application based grant program.
- ▶ Funding recommendation
 - FY 2012: \$750,000
 - FY 2013: \$750,000

Trails

- ▶ Existing trail needs
 - Approximately \$4 million per year to rehabilitate existing paved trails.
 - Approximately \$2 million per year to pave granular trails.
- ▶ Trail development
 - Need for increased connectivity of trail system
 - Continued development of statewide, regional and local trail systems of all types – bicycle/pedestrian, water trails, snowmobile, all-terrain vehicle, equestrian, etc.

State Recreational Trails

- ▶ Eligible projects: Acquisition, construction or improvement of recreational trails open for public use or trails which will be dedicated to public use upon completion.
- ▶ Funding available through application based grant program.
- ▶ Funding recommendation
 - FY 2012: \$2.0 million
 - FY 2013: \$2.0 million

Public Transit

- ▶ Vertical infrastructure needs
 - Half of regional systems have no facility to house and maintain fleet.
 - Many existing facilities need updating and/or expansion.
- ▶ Fleet/operating needs
 - 49% of the vehicle fleet exceeds federal useful life standards.
 - Demand and costs have been increasing but operating funds have been declining.
 - Need for expanded services.
 - State operating assistance provided through standing appropriation – approximately \$10.2 million.

Public Transit Infrastructure

- ▶ Eligible vertical infrastructure projects include maintenance facilities, garages, administrative buildings, fueling facilities, and passenger facilities.
- ▶ Funding available through application based grant program.
- ▶ Funding recommendation
 - FY 2012: \$2.0 million
 - FY 2013: \$2.0 million

Freight Rail

- ▶ Infrastructure needs
 - Rail spurs to provide rail access to new and existing businesses.
 - Rail rehabilitation/improvement to increase capacity and efficiency.
- ▶ Rail Port program
 - One-time appropriation of \$7.5 million for FY 2011 to support rail port projects that will accommodate wind energy developments.

Railroad Revolving Loan and Grant Program

- ▶ Eligible projects construction of rail spurs and improvement/rehabilitation of rail lines. The focus is on projects that support job creation.
- ▶ Funding available through application based grant program
- ▶ Funding recommendation
 - FY 2012: \$2.0 million
 - FY 2013: \$2.0 million

Passenger Rail – Chicago to Iowa City Status

- ▶ Iowa and Illinois awarded \$230 million to implement service.
- ▶ State of Iowa match is \$20.6 million
- ▶ \$3.5 million is available from FY 2010 and FY 2011 appropriations.
- ▶ Funding is sufficient to continue development through FY 2012.
- ▶ Work will continue to identify potential funding sources for capital and operating costs.